

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC., FOR APPROVAL OF)	CASE NO.
GAS PURCHASES UNDER A SPECIAL)	9038
EMERGENCY ASSISTANCE PROGRAM)	

O R D E R

On May 8, 1984, the Commission issued an Order setting a hearing for this case on May 25, 1984, at 1:00 P.M. This Order is issued to state many of the issues to be discussed at the hearing and to raise some of the Commission's questions regarding the proposed Emergency Assistance Program (EAP).

The Commission ORDERS that representatives of Columbia Gas of Kentucky, Inc., ("Columbia") be prepared to address at the hearing each of the issues and questions enumerated below.

1. Has Columbia Gas Transmission Corporation agreed to transport the EAP volumes of gas? Has an agreement been signed specifically for this program?

2. Article 4.1 of the contract between Columbia and Citizens Energy Corporation deals with testing the quality of gas. Who will test the quality of the gas purchased from Citizens Energy? Who will pay for the tests and who will ultimately bear the cost of those tests?

3. Article 4.2 of the same contract discusses the Btu content of the gas to be purchased and establishes that content to be "not less than 980 Btu." Columbia's standard Btu content as filed with this Commission is 1,000 Btu/cubic feet. Please justify this difference.

4. Article 6.2 of the same contract states that Columbia of Kentucky will bear the cost of operating and maintaining the meters used in this program. What are the costs involved? Who will ultimately bear these costs?

5. Article 12.1 of the same contract specifies that no changes in the price of gas will occur due to changes in tax laws. Do any tax changes become effective in July as a result of recent General Assembly action which will affect the taxes on this gas sale?

6. Is there any conflict between Article 1.5 of the Citizens Energy Corporation contract with Winter Care and Article 11.7 of the Columbia/Citizens Energy contract?

7. Article 2.3 of the Citizens Energy/Winter Care contract establishes \$150 as the maximum payment to be made by Winter Care. How will this maximum payment fit in with Columbia's and the Commission's existing policies and regulations regarding disconnections and reconnections of service? How does this figure relate to Columbia's historical data regarding the arrearages for customers who might qualify for the EAP?

8. What are Columbia's estimated added administrative costs associated with this program? Please specify these costs. Is it

anticipated that these costs will be passed on to all Columbia customers?

9. How many customers does Columbia anticipate as receiving assistance from this program? How many dollars will be made available for the program after administrative expenses are deducted? What is Columbia's best estimate of the administrative expenses to be deducted from program funds by both Citizens Energy and Winter Care?

10. The volumes of natural gas sold under this program are reportedly to be transported as part of Columbia Gas Transmission's Phase II transportation program. Roughly 15 percent of the Phase II volumes available to Columbia of Kentucky will be used for this EAP. Please compare the benefits of the EAP to the benefits of including all Phase II volumes in reducing the overall average system cost of gas for the benefit of all Columbia customers.

Any available contracts or calculations pertinent to the above questions and issues should be made available during the hearing for inclusion in the case file.

Done at Frankfort, Kentucky, this 18th day of May, 1984.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary